

**DEPARTMENT OF EDUCATION -  
GENERAL SERVICES ADMINISTRATION**

A.R.S. § 15-201

General Fund and Teacher Certification Fund	FY 1998 Actual	FY 1999 Estimate	FY 2000 Approved	FY 2001 Approved
FTE Positions	143.9	143.9	144.9 <sup>1/</sup>	144.9 <sup>1/</sup>
Personal Services	4,294,300	4,275,200	4,380,300	4,466,200
Employee Related Expenditures	910,100	1,026,700	850,400	885,300
Professional and Outside Services	281,900	140,400	140,600 <sup>2/</sup>	141,600 <sup>2/</sup>
Travel - In State	40,900	47,000	47,000	47,000
Travel - Out of State	32,500	40,100	25,000	25,000
Other Operating Expenditures	1,316,300	1,025,000	1,012,600	1,012,600
Equipment	364,600	0	0	0
<b>Operating Subtotal</b>	<b>7,240,600</b>	<b>6,554,400</b>	<b>6,455,900</b>	<b>6,577,700</b>
Achievement Testing	3,022,500	4,440,100	5,565,300 <sup>3/</sup>	5,293,800 <sup>3/</sup>
Charter Schools Administration	202,800	207,900	207,300	210,900
Education Commission of the States	56,000	57,700	59,400	61,200
Special Education Audit	81,800	312,300	265,300	322,000
State Board for Charter Schools	172,900	0	0	0
State Board of Education	147,500	152,300	266,600 <sup>4/</sup>	262,900 <sup>4/</sup>
Student Accountability Information System	998,400	2,002,000	2,002,600 <sup>5/</sup>	2,002,600 <sup>5/</sup>
Teacher Certification	0	942,500	952,900 <sup>6/</sup>	970,100 <sup>6/</sup>
<b>Total Appropriations</b>	<b>11,922,500</b>	<b>14,669,200</b>	<b>15,775,300<sup>4/</sup></b>	<b>15,701,200<sup>4/</sup></b>
<b>Fund Summary</b>				
General Fund	11,922,500	13,726,700	14,822,400	14,731,100
Teacher Certification Fund	0	942,500	952,900	970,100
<b>Total Appropriations</b>	<b>11,922,500</b>	<b>14,669,200</b>	<b>15,775,300</b>	<b>15,701,200</b>

**Program Description** — *The General Services Administration (GSA) program is divided into a number of units, including School Finance, Data Processing, Career Ladders, Teacher Certification and Special Education, which provide for the ongoing operation of the Department of Education. The State Superintendent of Public Instruction is funded through this cost center.*

**Achievement Testing** — The approved FY 2000 amount (all from the General Fund) fully funds anticipated costs of Stanford 9 Testing (estimated at \$1,791,500 total—an increase of \$162,100), and AIMS Testing (estimated at \$3,529,000 total—an increase of \$901,600).

The approved FY 2001 amount (all from the General Fund) likewise fully funds anticipated costs of Stanford 9 Testing (estimated at \$1,878,500 total—an additional increase of \$87,000), and AIMS Testing (estimated at \$3,167,200 total—a decrease of \$(361,800) relative to FY 2000). AIMS funding is reduced for FY 2001 because

<sup>1/</sup> Includes 33.5 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

<sup>2/</sup> Includes an adjustment for Office of the Attorney General legal services. (See the Salary Adjustment table at the front of this report for more information.)

<sup>3/</sup> The appropriated amount includes \$1,791,500 for FY 2000 and \$1,878,500 for FY 2001 for norm-referenced testing of pupils in grades 2 through 11. The appropriated amount also includes \$65,000 in FY 2000 and \$65,000 in FY 2001 for reporting Stanford 9 reading test scores by individual classroom for pupils in grades 2 and 3. (General Appropriation Act footnote)

<sup>4/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items for the Program. The State Board of Education is a separate cost center and is not under the administrative jurisdiction of the General Services Administration cost center.

<sup>5/</sup> Monies appropriated for the Student Accountability Information System (SAIS) shall be spent primarily on costs associated with developing a system by which school districts and charter schools cover the cost of computer workstations, peripheral hardware, leased line charges and other items that are required locally to connect to the SAIS, with state SAIS funding only being used to cover these costs in cases of severe hardship. (General Appropriation Act footnote)

<sup>6/</sup> Monies collected by the Department of Education for teacher certification fees, as authorized by A.R.S. § 15-531, paragraphs 1 and 2, shall be deposited in a Teacher Certification Fund for use in funding costs of the Teacher Certification program. (General Appropriation Act footnote)

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one-time test development costs from FY 2000 will not recur during FY 2001.

The approved amounts for both years also include a total of \$65,000 per year (an increase of \$65,000 for FY 2000; no further increase for FY 2001) for enhanced reporting of 2<sup>nd</sup> and 3<sup>rd</sup> Grade Stanford 9 reading test scores, starting in FY 2000. Currently those scores are reported on a school-by-school basis. The additional funding would allow them to be reported at the individual classroom level, increasing their diagnostic value.

In addition, the approved amount for FY 2000 includes a total of \$179,800 (a decrease of \$(3,500)) and 3 FTE Positions (no change) for operation of the program. The approved amount for FY 2001 includes a total of \$183,100 (an increase of \$3,300 relative to FY 2000) and 3 FTE Positions (no change) for operation of the program.

Stanford 9 testing (a type of "Norm-Referenced Testing") compares academic achievement of Arizona students to that of students nationwide, while AIMS testing (a type of "Criterion-Referenced Testing") assesses student mastery of Arizona-established "essential skills." Both Norm-Referenced (NRT) Testing and Criterion-Referenced (CRT) Testing are required under A.R.S. § 15-741, and both test reading, language arts, and mathematics.

A.R.S. § 15-741 requires NRT testing of grades 3 through 12 and CRT testing of at least 4 grades designated by the State Board of Education. The board has determined that grades 3, 5, 8 and 12 will be CRT (AIMS) tested each year, and that students must pass the 12<sup>th</sup> grade AIMS test in order to graduate, starting with the Class of 2002. The Education Omnibus Reconciliation Bill (ORB) for FY2000 and FY 2001 notwithstanding the statutory requirement that Grades 3 through 12 be NRT tested, and instead requires that Grades 2 through 11 be tested.

A.R.S. § 15-741 also requires the department to carry out a number of other duties regarding achievement testing. They include 1) establishing a fair and consistent method and standard by which NRT scores may be evaluated taking into consideration demographic data, 2) establishing intervention strategies to assist schools with scores below the acceptable standard, and 3) annually reviewing district and school scores and offering assistance to school districts in analyzing data and implementing intervention strategies.

**Charter Schools Administration** — The approved amounts (which include General Fund monies only) provide continued funding for 4 FTE Positions, 3 of which provide state-level administrative support for the charter school program in general. The remaining FTE Position assists the State Board of Education in providing

administrative support for the charter schools that it sponsors. Charter schools may be sponsored by a local school district, the State Board of Education, or the State Board for Charter Schools.

The Charter Schools Administration program is distinct from the State Board for Charter Schools in that the former is simply an administrative unit of the department, whereas the latter is a separate state agency that consists of an appointed, policy-making board that has authority to sponsor charter schools.

**Education Commission of the States (ECS)** — The approved amounts (which include General Fund monies only) are for dues for Arizona's membership in the ECS. Each participating state appoints commissioners to represent it in the organization. Arizona is represented by 7 commissioners—2 appointed by the President of the Senate, 2 appointed by the Speaker of the House, and 3 appointed by the Governor.

**Special Education Audit** — The approved FY 2000 amount (all from the General Fund) includes a decrease of \$(47,200) for "off year" audit contract costs and a \$200 increase for standard changes, for a net decrease of \$(47,000). The approved FY 2001 amount (all from the General Fund) includes an increase of \$54,300 for "on year" audit contract costs and a \$2,400 increase for standard changes, for a net increase of \$56,700. Audit contract costs are incurred pursuant to A.R.S. § 15-236.A, which requires the department to conduct a cost study audit of special education programs every 2 years. The department hires a private accounting firm to conduct the audit, and the workload for it typically is higher in the second year of each audit cycle.

The approved amounts also include 2.5 FTE Positions (no change) for conducting "in-house" program and fiscal audits of special education programs. These audits are designed to determine the degree of school district compliance with existing statutes and regulations pertaining to special education, and to ensure the appropriate placement of students in special education programs [A.R.S. § 15-236.B].

**State Board for Charter Schools** — This program is now (as of FY 1999) funded as a separate budget unit apart from the department (*see agency page for "State Board for Charter Schools"*).

**State Board of Education** — The approved FY 2000 amount (all from the General Fund) includes an increase of \$100,000 and 1 new FTE Position for increased charter school monitoring. It also includes an increase of \$10,000 for board-related travel expenditures. Both increases are maintained in FY 2001.

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In addition, the approved FY 2000 amount includes a \$6,000 increase for one-time equipment. This funding is eliminated in FY 2001.

The approved increases for charter school monitoring relate to Section 15 of the Education ORB, which transfers some charter school oversight responsibilities from the Auditor General to the Board. These include 1) notifying a charter school under the board's jurisdiction if it has failed to establish and maintain the Uniform System of Financial Records (USFR) pursuant to A.R.S. § 15-271.B; 2) reporting to the Department of Education any charter school under its jurisdiction that either fails to establish and maintain the USFR or fails to correct deficiencies in the system within 90 days after receiving notice of the deficiencies; 3) receiving USFR compliance questionnaires from Certified Public Accountants who conduct audits pursuant to A.R.S. § 15-914; and 4) approving all contracts for financial and compliance audits and financial statement audits for charter schools that it sponsors.

Although the approved amounts for the Board appear in the summary table for this cost center, it is a separate cost center and is not under the administrative jurisdiction of the department (*see footnote 4*).

**Student Accountability Information System** — The approved amounts (all from the General Fund) are for continued development and implementation of an on-line data reporting system that will enable the department to provide more timely and accurate student count data for formula funding purposes (*see footnote 5*).

**Teacher Certification** — The approved amounts include 21 FTE Positions and estimated income that the department will collect from teacher certification fees during the biennium pursuant to A.R.S. § 15-531. Starting in FY 1999, the program became funded directly from teacher certification fees, rather than indirectly through a General Fund appropriation.